

EXHIBIT C

1
2 IN THE UNITED STATES DISTRICT COURT
3 FOR THE DISTRICT OF DELAWARE
4 - - -
5

6 IN RE: ADAMS GOLF, INC. :
7 SECURITIES LITIGATION :
8

9 ORAL DEPOSITION
10 OF
11 EDWARD NECARSULMER, III
12 Monday, August 7, 2006
13 - - -

14 Oral deposition of EDWARD NECARSULMER,
15 III, held at the offices of SIMPSON THACHER &
16 BARTLETT, LLP, 425 Lexington Avenue, New York,
17 New York, commencing at 12:08 p.m., reported
18 by Pamela Harrison, RMR, CRR, CSR and Notary
19 Public.
20 - - -
21
22

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Page 2

Page 4

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DEPOSITION SUPPORT INDEX

Direction to Witness Not to Answer:

Page Line
(NONE)

Request for Production of Documents:

Page Line
(NONE)

Stipulations:

Page Line
5/1

Questions Marked:

Page Line
(NONE)

Page 3

Page 5

EXAMINATION INDEX

WITNESS: EDWARD NECARSULMER, III

BY MR. LEWIS 6, 188
BY MR. GLUCKOW 177
BY MS. MORIATY 184

EXHIBIT INDEX

320 Cover letter, 7/24/06, to Collins, Esq.,
from McEvoy plus attachments NECARS
00001-00029 7
321 Adams Golf Inc. Securities Litigation 10
Expert Report of Edward Necarsulmer,
III
322 Adams Golf Securities Litigation 10
Rebuttal Report of Edward Necarsulmer,
III
323 E-mail, 4/28/04, to "Ted" from "Paul" 13
324 AMF Bowling Securities Litigation 20
Expert Report of Edward Necarsulmer,
III
325 Adams Golf, Inc. Customer Due Diligence 144
Questionnaire
326 Fax dated 8/7/06 plus attachment 144
327 Document entitled Exhibit VII 153
328 Deposition of Olga A. Pulido-Crowe 176

EDWARD NECARSULMER, III

MR. LEWIS: The stipulations that
we have been proceeding under, as I
understand it, are waiving, sealing,
certification, and filing of the
transcript, and otherwise proceeding
under the federal rules.

MR. GLUCKOW: Give me those
again.

MR. LEWIS: Sealing.

MR. GLUCKOW: Right.

MR. LEWIS: Certification.

MR. GLUCKOW: Okay.

MR. LEWIS: And filing.

MR. GLUCKOW: Okay.

MR. LEWIS: Some of which
probably are already mooted by the
latest federal rules.

MR. GLUCKOW: Right.

MR. LEWIS: And I suppose you
want to reserve read and sign for
Mr. Necarsulmer?

MR. GLUCKOW: Exactly. Yes.

THE WITNESS: Perfect.

2 (Pages 2 to 5)

Page 58

1 EDWARD NECARSULMER, III
2 variables. Some of the ones you've
3 mentioned are variables -- are valid
4 ones, but there are -- just the
5 existence of the fact that it was a
6 fast growing company or it was a new
7 company would not be enough for me to
8 direct the team to do something
9 different.

10 BY MR. LEWIS:

11 Q. What variables, if any, would
12 cause you to direct the team to do something
13 different in due diligence?

14 MR. GLUCKOW: I'm going to object
15 to the form and object on the ground
16 that it's vague and ambiguous and quite
17 overbroad.

18 But you can answer.

19 THE WITNESS: I mean it's a
20 situation-by-situation issue. I think
21 that -- and I can only, you know,
22 really respond to it anecdotally if I
23 can think of some appropriate
24 anecdotes. But I guess my point is,
25 without belaboring this, is you look at

Page 59

1 EDWARD NECARSULMER, III
2 each situation and hopefully -- you
3 know, if you are managing the process,
4 you look at each situation and
5 hopefully you figure out, you know,
6 what you need to do to satisfy your
7 commitment committee, yourself, and the
8 marketplace. And there are really no
9 other rules specific -- you know,
10 templates I can honestly look at you
11 and offer beyond that.

12 BY MR. LEWIS:

13 Q. Have you ever had the experience
14 of adjusting the due diligence that you were
15 conducting on a company because the company had
16 management that had not had long experience in
17 running a public company?

18 A. Yes.

19 Q. And why did you do that?

20 A. Well, because simply as a matter
21 of mechanics. In many cases if a company had
22 done other offerings or was -- let's say had
23 done other offerings or had significant -- had
24 done private equity financings or other
25 transactions, typically they might be more

Page 60

1 EDWARD NECARSULMER, III
2 organized in terms of your ability to get
3 documents and things that were on point that
4 would go right to your organizational outline,
5 where if they hadn't, you might have to really
6 help them set up the process.

7 Q. Would you agree that in an
8 initial public offering there is a strong
9 affirmative duty of disclosure?

10 MR. GLUCKOW: Object to the
11 form. Vague and ambiguous. Calls for
12 a legal conclusion.

13 You can answer.

14 THE WITNESS: Yes.

15 BY MR. LEWIS:

16 Q. Would you agree that in
17 conducting due diligence it is necessary for the
18 due diligence team to continue its investigation
19 of the issuer up to and including the effective
20 date of the registration statement?

21 A. Yes.

22 Q. And a due diligence
23 investigation would be inadequate if the
24 underwriter did not do that?

25 MR. GLUCKOW: Object to the

Page 61

1 EDWARD NECARSULMER, III
2 form. It calls for a legal conclusion.

3 You can answer.

4 THE WITNESS: I mean, the easy
5 answer is yes, but -- well, okay, let
6 me just leave it at yes.

7 BY MR. LEWIS:

8 Q. Is it your understanding as a
9 non-lawyer that one of the duties of
10 underwriters is to deal fairly with the
11 investing public?

12 MR. GLUCKOW: Object to the form.

13 You can answer.

14 THE WITNESS: Absolutely.

15 BY MR. LEWIS:

16 Q. Isn't that sometimes referred to
17 as the shingle theory?

18 A. I'm not familiar with that.

19 Q. I take it from your initial
20 report that one of your beliefs is that an
21 underwriter has an obligation to conduct a
22 reasonable investigation in an IPO?

23 A. Yes.

24 Q. And there is a long tradition
25 since the securities laws were enacted in the

16 (Pages 58 to 61)